



AUG 20 2013

VETERANS' PROGRAM LETTER NO. 03-11, Change 1

TO: ALL REGIONAL ADMINISTRATORS  
ALL DIRECTORS FOR VETERANS' EMPLOYMENT  
AND TRAINING  
ALL STATE AGENCY ADMINISTRATORS  
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT  
AND TRAINING ADMINISTRATION (INFO)

FROM: KEITH KELLY 

SUBJECT: Negotiating Performance Goals for Services to Veterans for  
Program Year 2013

- I. **Purpose:** To provide guidance to States and Directors for Veterans' Employment and Training (DVETs) for negotiating new Program Year (PY) 2013 performance targets for veterans served by Jobs for Veterans State Grant funded staff and through the State Agencies' American Job Center (AJC) labor exchange system as a whole.
- II. **References:** Section 4102 of Title 38, United States Code (38 U.S.C., § 4102A); VOW to Hire Heroes Act (VOW Act) of 2011 (Public Law 112-56), enacted November 21, 2011; Veterans' Program Letter (VPL) 03-11, dated June 14, 2011; VPL 01-10, Jobs for Veterans State Grants Recurring Report Requirements, dated January 15, 2010; Training and Employment Guidance Letter (TEGL) 26-12 -- Negotiating Performance Goals for the Workforce Investment Act (WIA) Title 1B Programs and Wagner-Peyser Act Funded Activities for Program Year (PY) 2013, dated May 6, 2013; TEGL 07-12, Implementing the Veterans-Related and Other Reporting Change Requirements in the Labor Exchange Reporting System (LERS), dated September 28, 2012; TEGL 17-05, Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues, dated February 17, 2006; Employment and Training (ET) ET 406 Handbook, expiration date August 31, 2015; and Government Accountability Office (GAO) Report 13-297 SP-Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits, issued April 9, 2013; GAO 13-29 Better Targeting, Coordinating, and Reporting Needed to Enhance Program Effectiveness, issued December 13, 2012; and, GAO 07-594, Labor Could Improve Information on Reemployment Services, Outcomes, and Program Impact, issued May 24, 2007.

**III. Background:** As mandated by 38 U.S.C., § 4102A, the Assistant Secretary for Veterans' Employment and Training established and implemented a performance accountability system. This system measures the effectiveness of the services delivered to veterans at two levels of the workforce system: a) through staff funded through the Jobs for Veterans State Grants; and b) the general statewide level of labor exchange services to veterans provided by the AJC network (formerly the One-Stop Career Center System). The common measures for which Program Year (PY) 2013 common performance measures (Veterans' Entered Employment Rate (EER); Veterans' Employment Retention Rate; Six-Month Average Earnings (AE) for Veterans) will be negotiated with the State Workforce Agencies is described in Section VII of this VPL and was contained in VPL 03-11. In accordance with Section 238 of the VOW to Hire Heroes Act, VETS will also begin reporting Median Earnings, but will not negotiate this measure for PY 2013. PY 2013 will be the baseline year for median earnings. VETS' PY 2013 negotiations with States should be based upon historical results and the most recently-approved and accepted reports on activities (ETA-9002B) and outcomes (ETA-9002D) for veterans.

During PY 2011, target values were negotiated with each State Agency for the four performance measures addressing the outcomes of veterans and eligible persons served in prior years by Disabled Veterans' Outreach Program (DVOP) specialists and/or Local Veterans' Employment Representative (LVER) staff. Pending implementation of new reporting items and development of new measures, those negotiated goals were carried through PY 2012, which ended June 30, 2013. Grants-based measures for PY 2013 will be changing in accordance with VETS' Operating Plan and as a result of the Action Plan for implementing recommendations to referenced GAO reports.

**IV. PY 2013 Negotiated Grants-Based Performance Measures:** Beginning in PY 2013 VETS will analyze the results of DVOP and LVER activities, rather than just the "common measures" outcomes for specific types of veterans and eligible persons (i.e., disabled and recently-separated veterans) and will negotiate the following:

For DVOP Specialists (Source: VETS-200A Report) only:

- Veterans' Entered Employment Rate (VEER *Weighted*);
- Veterans' Employment Retention Rate (VERR);
- Six-month Average Earnings<sup>1</sup> (VAE);
- Disabled Veterans' Entered Employment Rate (DVEER; Not Weighted);
- Disabled Veterans' Employment Retention Rate (DVERR);
- Disabled Six-month Average Earnings<sup>1</sup> (DVAE); and, new for PY 2013<sup>1</sup>
- The proportion of total individual veterans (participants) served by DVOP specialists (Source: VETS 200A, Line 8, Column C - denominator) who received Intensive Services (Source: VETS-200A, line 11, Column C - numerator).

<sup>1</sup> VETS will also begin reporting Median Earnings as per Section 238 of the VOW Act, but will not negotiate this measure with States for PY 2013

NOTE: During PY 2013, VETS will not negotiate goals, but will also:

- monitor the entered employment rate for veterans and eligible persons following the provision of Intensive Services by DVOP specialists using line 22, column C on the VETS-200A report; and,
- compare the proportion of individual veterans receiving intensive services from the DVOP specialist(s) to the proportion provided intensive services by all AJC Wagner-Peyser funded staff, using line 11, column 4 of the VETS-200A, in relation to line 14, column 4 of the ETA 9002B report.
- Monitor descriptions of LVER activity reported in the quarterly Manager's Report; particularly contacts with individual employers and meetings with business associations as described in the current VPL on Recurring Reporting to ensure compliance with Section 4104 of Title 38, United States Code.

- V. **Considerations during the Negotiations Process:** Performance accountability is a key component of the information system used to manage the effectiveness of the workforce investment system. Therefore, States should use the negotiation of performance targets for PY 2013 as an opportunity to encourage innovation that shows continuous improvement in the provision of services to veterans and other eligible persons. Historical performance data, labor market information and demographic factors play a key role in developing performance targets.

Examples of economic and demographic factors that should be considered when negotiating outcomes are:

- employment opportunities as affected by the rate of job creation/job loss in the state;
- trends in state and sub-state unemployment; and,
- the estimated number of returning service members, demobilizing National Guard and Reservists in the State.

The measures to be negotiated for PY 2013 described in VPL Sections III and IV are provided as Attachment 1.

- VI. **Weighted Measurement:** The weighted measure was adopted to comply with law and GAO report recommendations. The intent of the weighted measurement implemented by VETS and the calculation methodology are described in VPL 03-11. It is, essentially, to provide additional credit to DVOP specialists for the positive employment outcomes of veterans to whom they provided intensive services.

This measure will be applied solely to the DVOP specialist in PY 2013 and is derived from the VETS-200A. Refer to VPL 03-11 or see VPL Attachments 1, 2 and 3 for description and further explanation.

- VII. **Performance Targets for SWA Labor Exchange Outcome Measures:** States are expected to develop strategies and policies that demonstrate continuous improvement.

Target values will be negotiated by DVETs for acceptance by Regional Administrators for Veterans Employment and Training (RAVETs) with each State Agency for the following six performance measures:

- Veterans' EER (VEER)
- Veterans' ERR (VERR)
- Veterans' Average Earnings (VAE)
- Disabled Veterans' EER (DVEER)
- Disabled Veterans' ERR (DVERR)
- Disabled Veterans' Average Earnings (DVAE)

This PY will be the "baseline year" for three and six-month median earnings. VETS will not negotiate median earnings measures with states for PY 2013, but will report the results from lines 15 and 16 of the revised, national ETA-9002 D report. VETS will also make a comparison of each State's VEER to a Uniform National Threshold Entered Employment Rate or UNTEER at the end of PY 2013.

In recent years, VETS has participated with other DOL agencies in developing national performance targets based upon regression analysis of prior years' results. In conjunction with this initiative, VETS applied the regression analysis results each year to establish national-level statewide labor exchange performance targets. Similarly, target values for these six outcome measures can be based on comparable historical data, as reported by each State on the quarterly ETA 9002 D Report, for the periods up to and including the period ending June 30, 2013, if available.

For comparison purposes, the PY 2011 National Outcomes for State Agency/SWA labor exchange services for veterans through June 30, 2012 were:

	<u>Actual</u>
<input type="checkbox"/> Veterans' EER –	49%
<input type="checkbox"/> Veterans' ERR –	77%
<input type="checkbox"/> Veterans' AE -	\$16,649 (six month)
<input type="checkbox"/> Disabled Veterans' EER –	46%
<input type="checkbox"/> Disabled Veterans' ERR –	77%
<input type="checkbox"/> Disabled Veterans' AE -	\$17,289 (six month)

This information is provided for reference by VETS field staff and State Agency staff for the PY 2013 negotiations. However, these national outcomes are not intended to prescribe or limit the state level targets to be negotiated for PY 2013. Rather, VETS prefers to rely upon the combined expertise of VETS' field staff and State Agency staff to project PY 2013 performance targets that best accommodate the full set of conditions anticipated within each State.

**VIII. Strategies to Improve Performance:** DVETs will work closely with States to develop new strategies if the outcomes for Grants-Based services provided by DVOP specialists and/or the outcomes for SWA labor exchange services for veterans fall short

of negotiated targets. In those cases, the oversight by the DVET should include discussions with State staff about topics such as improving grant-funded staff utilization rates, targeting areas of high unemployment, emphasizing employer outreach and job development, and identifying staff training needs.

The DVET is instrumental in assisting the State to explore the problems or issues that impact any shortfall in outcomes reported during this period of technical assistance, and in recommending improvements designed to improve the State's capacity to meet its goals. If the deficiency continues after a year of technical assistance, the DVET, in consultation with the appropriate RAVET, may place the State under a Corrective Action Plan.

**IX. Actions Required:**

- A. Between the VPL issue date and Friday, August 30, 2013, States will meet with the respective DVET to negotiate the performance goals for Veterans, as described in this VPL.
- B. By close of business on Wednesday, September 4, 2013, the State will forward the negotiated performance level to the DVET. States are encouraged to use the sample format provided by VPL Attachment 4 to submit their goals. If an alternative format is submitted, it must include the same information listed in the attachment and must be signed by the approved State Agency representative.
- C. By Monday, September 9, 2013, the DVET will forward a signed copy of the agreed performance levels to the RAVET for review.
- D. If the proposed goals are unacceptable, the RAVET may direct the continuation of the negotiation process.
- E. Not later than Monday, September 23, 2013, RAVETs will submit the final, negotiated performance goals for each State, signed by the DVET and the RAVET, to Joel Delofsky at [delofsky.joel@dol.gov](mailto:delofsky.joel@dol.gov) and Dennis Johnson at [johnson.dennis@dol.gov](mailto:johnson.dennis@dol.gov) in the National Office. Each signed memorandum will be incorporated into the respective State's approved plan for services to veterans.

**X. Inquiries:** Questions should be referred to the appropriate DVET. DVETs or other VETS staff with questions should contact their RAVET. RAVETs may contact Joel Delofsky at [delofsky.joel@dol.gov](mailto:delofsky.joel@dol.gov) or at (312) 353-4942.

**XI. Expiration Date:** When rescinded or superseded.

**XII. Attachments (4):**

- 1. **State Workforce System** and JVSG Grants-Based Performance Measures Negotiated for Veterans – Program Year (PY) 2013
- 2. **Guide to Calculating** the Veterans EER Weighted for Veterans Entering

Employment Following Intensive Services for a Sample State

3. **Interactive Grants**-Based Performance Measure Weighting Tool (Desk Aid)
4. **Memo Format** for Submitting Negotiated Performance Targets for PY 2013